

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2005

	As of <u>6-30-05</u>	As of <u>6-30-04</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 604,847,705	\$ 551,572,082
INTERNATIONAL EQUITIES	399,906,454	349,409,895
DOMESTIC FIXED INCOME	201,123,853	182,967,765
INTERNATIONAL FIXED INCOME	71,304,366	62,533,112
REAL ESTATE	139,039,070	108,794,052
VENTURE CAPITAL	62,572,727	60,138,622
INVESTED CASH (NOTE 1)	<u>28,950,655</u>	<u>39,971,282</u>
TOTAL INVESTMENTS	1,507,744,830	1,355,386,810
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,109,864	6,145,079
CONTRIBUTIONS/ASSESSMENTS REC	7,403,583	6,354,427
MISCELLANEOUS RECEIVABLE	<u>0</u>	<u>256</u>
TOTAL RECEIVABLES	15,513,447	12,499,762
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	104,685,772	69,506,360
OPERATING CASH (NOTE 3)	8,648,006	8,378,563
DUE FROM OTHER AGENCIES (NOTE 4)	<u>20,170</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$ 1,636,612,225</u></u>	<u><u>\$ 1,445,771,495</u></u>
LIABILITIES:		
ACCOUNTS PAYABLE	1,414,912	1,198,117
ACCRUED EXPENSES	284,129	253,408
SECURITIES LENDING COLLATERAL (NOTE 2)	104,685,772	69,506,360
DUE TO OTHER AGENCIES (NOTE 5)	<u>32,985</u>	<u>133,933</u>
TOTAL LIABILITIES	106,417,798	71,091,818
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,374,679,677	1,175,248,478
CASH IN DURING YEAR (NOTE 6)	134,163,000	130,189,850
CASH OUT DURING YEAR (NOTE 7)	134,163,000	130,189,850
NET INCREASE (DECREASE)	<u>155,514,750</u>	<u>199,431,199</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,530,194,427</u>	<u>1,374,679,677</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,636,612,225</u></u>	<u><u>\$ 1,445,771,495</u></u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2005

	Month Ended 6-30-05	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 3,370,286	\$ 39,653,617
SECURITIES LENDING INCOME	294,328	1,863,404
	<u>3,664,614</u>	<u>41,517,021</u>
 GAIN ON SALE OF INVESTMENTS	 14,639,466	 171,315,785
LOSS ON SALE OF INVESTMENTS	<u>6,181,137</u>	<u>91,175,928</u>
 NET GAINS (LOSSES) INVESTMENTS	 8,458,329	 80,139,857
 INVESTMENT EXPENSES	 721,267	 6,009,017
SECURITIES LENDING EXPENSES	241,267	1,535,720
SIB ADMINISTRATIVE EXPENSES	<u>16,646</u>	<u>128,690</u>
 NET INVESTMENT INCOME	 11,143,763	 113,983,451
 NET APPREC (DEPREC) MARKET VALUE	 15,910,829	 67,529,868
MISCELLANEOUS INCOME/(EXPENSE)	<u>(141,233)</u>	<u>(753,064)</u>
 TOTAL INVESTMENT INCOME	 26,913,359	 180,760,255
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 7,433,042	 60,776,915
PURCHASED SERVICE CREDIT (NOTE 9)	773,905	3,292,441
PENALTY & INTEREST (NOTE 10)	<u>1,055</u>	<u>3,525</u>
 TOTAL ADDITIONS	 <u>35,121,361</u>	 <u>244,833,136</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,323,878	84,125,369
PARTIAL LUMP SUM DISTRIBUTIONS PAID	231,708	372,761
REFUNDS TO MEMBER (NOTE 12)	<u>165,286</u>	<u>2,733,407</u>
 TOTAL BENEFITS PAID	 7,720,872	 87,231,537
 ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	278,365	2,086,849
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>278,365</u>	 <u>2,086,849</u>
 TOTAL DEDUCTIONS	 <u>7,999,237</u>	 <u>89,318,386</u>
 NET INCREASE (DECREASE)	 <u>\$ 27,122,124</u>	 <u>\$ 155,514,750</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
June 30, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 4 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 5 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

TEACHERS' FUND FOR RETIREMENT
Notes to Financial Statements
6/30/05

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.